



Ministry of Food Processing Industries – Panchsheel Bhawan

Objectives

- The Ministry of Food Processing Industries intends to use this strategy to develop the country's processing and preservation capabilities as well as modernize and extend current ones, resulting in a robust ecosystem with unrivalled processing levels.
- This program will help to create a competitive environment by driving farmers to focus their efforts on value addition, resulting in better year-over-year sales.
- The plan aims to boost supply while simultaneously working to regulate the flow so that food waste is reduced, and farmers' revenue is increased.

Benefits

Grants-in-Aid	Grant (% of Project cost)
Projects in General Areas	35%
Projects in Difficult Areas or Projects of SC/ST, FPOs & SHGs	50%

- Maximum Amount of Incentive is capped at INR 5 Crores.
- Grant in Aids will be considered in respect of eligible project components only for investment made after issue of Approval letter.

Project Implementation

- Project shall be completed in 18 Months from the Issue of Approval letter
- Incentive shall be disbursed in two equal installments of 50% which are described below:

Particulars	Timeline
1 st Instalment (After Submission of requisite documents)	9 Months
2 nd instalment (After Submission of requisite documents)	18 Months

Eligible Entities

- Any organization or an individual engaged in or that plans to engage in **creation/ expansion/ modernization** of food processing and preservation capacities. (Eligible sectors and indicative processing activities are attached herewith as Annexure-1)
- No second proposal of any entity, who has already availed grants-in-aid earlier under the Scheme will be considered.
- Entities or promoter(s) of entities who have already availed financial assistance under another scheme (any scheme other than the CEFPPC Scheme) of the Ministry will be eligible for grants-in-aid only after two years from the date of commercial operation of the previous project : Provided that an entity or promoter(s) of an entity shall not be eligible for financial assistance for more than two projects during a period of 10 years.





Eligibility Criteria

Particulars	General Areas	Difficult Areas, SC/ST, FPOs & SHGs
Project cost	INR 3 Crores	INR 1 Crore
Combined Net Worth (times of grant in aid sought)	1.5 Times	Equal to Grants-in-Aid
Equity Infusion (% of Project Cost) (Minimum)	20%	10%
Term Loan (% of Project Cost) (Minimum)	20%	10%

***Note :** Difficult Areas means North- Eastern States (including Sikkim), State of Uttarakhand, State of Himachal Pradesh, Union Territories of Jammu & Kashmir & Ladakh, State Notified ITDP (Integrated Tribal Development Projects)

Evaluation Criteria

- Evaluation of the Expression of Interests (EOI) will be done based on the below mentioned scoring matrix.

Sr. No.	Criteria for Evaluation of Proposals	Marks Range
1	Priority Sector	15-25
2	Possession of Appropriate Land	5-15
3	Investment on Eligible Project Cost	8-15
4	Net Worth of the Applicant	10-15
5	Debt Service Coverage Ratio (DSCR) based on Bank appraisal	10-15
6	Project Strength -The promoter(s)having professional special training in food processing tech.	3-5
7	Turnover of applicant firm/promoter(s)having atleast 10% shareholding in Food Processing	7-10

- To be eligible for grant-in-aid, a proposal must have a minimum of 60 marks or 45 marks in case of SC/ST Proposal.
- In case of eligible proposals having equal marks , preference will be given to proposals envisaging higher eligible project cost.

Salient Features

- In case of proposal from Central Government or State Government (including entities/ organizations under the State Government or Central Government) no net worth criteria will be applicable.
- Only one application per entity will be considered in response to an expression of interest, however MFPs and APCs will be able to receive financial support for multiple units.
- Fund allocation – 60% for units located in Mega Food Parks(MFP)/Agro Processing Cluster(APC) and 40% for units outside MFP/APC.





Annexure 1: Eligible sectors and indicative processing activities

Eligible sectors

- Fruit & Vegetable Processing
- Milk Processing
- Meat/ poultry/ fish processing
- Fruits/ honey-based wines
- Modern Rice milling
- Other Agri - horti products
- Grains/ pulses, oil seed milling & processing
- RTE/RTC /Cereals/ Snacks/Bakery & food products including nutritional health
- Jaggery & value-added products from jaggery (as raw material) except sugar mills
- Any other Food products fit for human consumption
- Animal feed manufacturing unit(s)
- Carbonated drinks/ beverages containing fruit juice/ pulp (subject to condition)
- Natural Food flavors, food additives/ food extracts & colors, oleoresins, guar gum, cocoa products
- Aerated drinks & Packaged Drinking water are not covered

Indicative processing activities

- Sorting, grading, washing, peeling, cutting, sizing
- Blanching, crushing, extraction, pulping
- Drying, de-husking, de-hulling, splitting, de - podding, deseeding, color sorting, pulverization, extrusion, freeze drying/ dehydration, frying
- Fire Fighting equipment and insect repellents
- Packaging facilities like canning, aseptic packaging, vacuum packaging, bottling, edible packaging, labelling, any other specialized packaging
- Chemical preservation, pickling, fermentation or any other specialized facility required for preservation activities
- Individual Quick Freezing (IQF), blast freezing, plate freezing, spiral quick freezing
- Controlled temperature transport like coolers and refrigerated/ insulated/ ventilated transport
- Other processing/ preservation/ transport/ storage facilities adjunct to value addition and shelf-life enhancement of food products
- Pasteurization, homogenization, evaporation, concentration

For more information, let's talk !

Say Hello !

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